

**PUBLIC SESSION MINUTES**  
**North Carolina State Board of CPA Examiners**  
**August 22, 2005**  
**1101 Oberlin Road**  
**Raleigh, NC 27605**

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**MEMBERS ATTENDING:** Leonard W. Jones, CPA, President; Arthur M. Winstead, Jr., CPA, Vice President; Jordan C. Harris, Jr., Secretary-Treasurer; Norwood G. Clark, Jr., CPA; Tyrone Y. Cox, CPA; Thurman L. Gause; and Michael C. Jordan, CPA.

**STAFF ATTENDING:** Robert N. Brooks, Executive Director; J. Michael Barham, CPA, Deputy Director; Lisa R. Hearne, Manager-Communications; Ann J. Hinkle, Manager-Professional Standards; and Noel L. Allen, Legal Counsel.

**GUESTS:** Tom Chenoweth, CPA, Highland Publishing Company; and Curt Lee, Past President, NCSA.

**CALL TO ORDER:** President Jones called the meeting to order at 10:05 a.m.

**MINUTES:** The minutes of the July 14, 2005, meeting were approved as submitted.

**FINANCIAL AND BUDGETARY ITEMS:** The financial statements for July 2005 were accepted as submitted.

The draft Audit for the year-ending March 31, 2005, was reviewed and discussed and will be presented in final form at the September 19, 2005, Board meeting.

**STATE AND LOCAL ORGANIZATION ITEMS:** The Board reviewed the report of the Special Governmental Audit Quality Task Force formed by the NCACPA.

**REQUEST FOR DECLARATORY RULING:** The Board reviewed and discussed a non-binding interpretive statement issued by Staff for Mr. Smith. Messrs. Jordan and Winstead moved to approve the statement. Motion passed (Appendix I).

The Board reviewed and discussed a non-binding interpretive statement issued by Staff for Mr. Jones. Messrs. Clark and Harris moved to approve the statement. Motion passed (Appendix II).

**REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE:** Mr. Winstead moved and the Board approved the following recommendations of the Committee:

200407-026 - Paul E. Cobb, Jr. - Approve the signed Consent Order (Appendix III).

200502-024 - Daniel Aaron Leder - Approve the signed Consent Order (Appendix IV).

200206-024 - Close the case without prejudice and with a stipulated Letter of Warning.

200409-035 - Dismiss the scheduled Public Hearing and close the case without prejudice and with a stipulated Letter of Warning.

9811-100 - Approve a Notice of Hearing for October 24, 2005, at 10:00 a.m.

200410-041 - Close the case without prejudice.

200410-039, 200501-009 - Donald Lee Fruehauf - Approve the signed Consent Order (Appendix V).

Messrs. Harris and Gause moved to approve the Consent Order with Noah K. Duncan, Case No. 200502-022. Motion passed with seven (7) affirmative and zero (0) negative votes (Appendix VI).

Messrs. Clark and Harris moved to approve the Consent Order with Amos Johnson Chestnutt, Case No. 200309-045. Motion passed with seven (7) affirmative and zero (0) negative votes (Appendix VII).

Messrs. Winstead and Clark moved to approve the Consent Order with Jerry Uriah Britt, Case Nos. 200103-011 and 200106-054. Motion passed with six (6) affirmative and zero (0) negative votes. Mr. Jordan abstained from voting in this matter (Appendix VIII).

#### **REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE:**

Mr. Gause moved and the Board approved the following recommendations of the Committee:

**Transfer of Grades Applications** - The transfer of grades application submitted by Kathryn C. Chisholm was approved

**Original Certificate Applications** - The following were approved:

Kimberly O'Pharrow Branch  
John Dennis Calaway  
WeiLin Chen  
Kathryn C. Chisholm  
Elizabeth Neal Danner  
Benjamin Edward Geers  
Kendra Ward Gillespie  
Karen L. Gueldner  
Stephanie Privette Jones  
Matthew C. E. Litz

Diana Michele Miller  
Ronnie Moshkowitz  
Jill Marie Mumford  
Lauren Nicole Page  
Edward Scott Raymond  
Teresa Reed  
Hazel Jean Ryon  
Christopher Daniel Sanders  
Christopher Chad Self  
Sandra Allison Wilson

The Committee reviewed an original certificate application submitted by George Lyon Austin. Mr. Austin works for Leslie and Associates Inc., as an accountant providing income statements to property owners. Since Mr. Austin's employment appeared to be in violation of NCGS 93-8, staff requested that he complete a Form of Practice statement. The Committee approved his application.

The Committee reviewed an original certificate application. Staff believed that the applicant did not seem to meet the 150-semester hour requirement because he had not fulfilled at least eight out of the ten fields of study, but the applicant disagreed. The Committee disapproved the application.

**Reciprocal Certificate Applications** - The following were approved:

Stewart Leslie Appelrouth  
Lisa Renee Barreca  
Pearl Wilson Bassard  
Frederick James Bauer  
Stephanie Michelle Bradshaw  
Andrew Patrick Burns  
Owen Michael Cavanaugh  
Jamie Lee Cehelsky  
Nancy L. Cockrell  
Kevin Dunne  
Tammy Lee Edmonds  
Jonathan Michael Fabian  
Michael Jonas Gilreath  
Heyward Hydrick Harden  
Michael G. Hart  
John Robert Hattle  
William Ellis Honeycutt  
Mary Jane K. Jankowski  
Jamin Russell Jenkins  
Sheetal Vyas Jenkins  
Denise Sarah Johnson  
Steven J. Johnston

Jean Rowland Keith  
Denise Lynette Koch  
Ericka Faye Kranitz  
Gordon A. Lewis  
Mark Bradley Lovett II  
Roger A. Mobley  
Susan Elizabeth Monks  
Kenda Lee Monroe  
Melissa Ann Morauer  
Jason Robert O'Neil  
Timothy John Parker  
Linda Logan Poulson  
Fahima Munir Rahimi  
Robert Lewis Sanders Jr.  
Jessica Lynn Santucci  
Ron Jay Schwartz  
Katherine M. Sharpee  
Stephen Paul Snyder  
Aparna Pushkar Tamhane  
Patrick A. Walsh  
John R. Wheeler

**Temporary Permits** - The following temporary permits were approved by the Executive Director and ratified by the Board:

Claudia A. Straw T03295  
Amy Lea Branyon T03296  
Michele Diane Burderi T03297  
Lewis John Harris Jr. T03298

Bret N. Pacheco T03299  
Anthony J. Priore T03300  
Stephen Michael Stillitano T03301  
Lanny Michael Walters T03302

John Michael Daratony T03303  
Patrick Brennan Gilbert T03304  
Ann E. Hazinski T03305  
Jennifer L. Heater T03306  
Diane Ennis Hueston T03307  
Vassilena Nikolov T03308  
Lisa Diane Pereira T03309  
William Eric Richardson T03310  
Emily Ann Ruschau T03311  
Beth Ann Sorrentino T03312  
Kelley Jo Zastrow T03313  
Paulus Irwan Asali T03314  
Elizabeth Ann Brown T03315

Laurence J. Casper T03316  
Juan C. Espina-Arroyo T03317  
Shelly A. Hanna T03318  
Lauren B. Hoyle T03319  
Ronald Arthur Jordan T03320  
Robert L. Jorgensen T03321  
Jeffrey Howard Kaiser T03322  
Stuart Bryan Lockerbie T03323  
Carroll E. Miller T03324  
Kevin Thomas Sheehan T03325  
John O. Skelton T03326  
Erika Celeste Thompson T03327

**Reinstatements** - The following were approved:

Alexander Graham Glover #30259  
Jacquelynn McAdam Harris #20554  
Rei-Rung Rachel Hsu #23655  
Teresa Weaver Meyer #18650  
Pamela Campbell Parrish #23845

Mack William Phipps #3318  
Ronda Dale Russell #18828  
William Vaughn Ward #25737  
John Rogers Wobbleton Jr. #22075

**Reissuance of New Certificate** - Applications for reissuance of new certificate and consent agreements submitted by the individuals listed below were approved.

James Everett Gresham #13140  
Paul Timothy Nazal #20222

**Firm Registrations** - The following professional corporations, professional limited liability companies, and limited liability partnerships were approved by the Executive Director and ratified by the Board:

Charles H. Blackwell, CPA, P.C.  
Robert Brunetti Jr, PLLC  
Foelgner, Ronz & Straw, P.A.  
PAUL T. HOYING, C.P.A., P.C.  
Robert G. Merz, CPA, P.C.  
GEORGE W. NAVARRO P.C.  
THOMAS G. RAINES, CPA PA

H.E. STELLINGS, CPA, PLLC  
Paul M. Stutts, CPA, PLLC  
John D. Thornton, CPA, PLLC  
Urbach CPAs, LLP  
NEIL E WATSON CPA, PA  
Webb & Senerchia, P.C.

**Reclassifications** - The Committee approved a request for retired status submitted by Elizabeth B. Justice (#25735) because she is completely retired and does not receive any earned compensation for current personal services in any job whatsoever.

**CPE Matters** - The Committee reviewed and Messrs. Clark and Harris moved to approve the ethics course "Ethics and Professional Conduct for North Carolina CPAs" provided by PSI. Motion passed with seven (7) affirmative votes and zero (0) negative votes.

The Committee reviewed and Messrs. Winstead and Cox moved to disapprove the following ethics courses:

"Ethics for North Carolina" by Wise Guides

"Ethics for Accountants" by Crystal A. Hughes, CPA

"Circular 230 Enforcement and Related Ethics Issues," "Current Developments in Tax Shelters," and "Ethical Challenges for Tax Practitioners" by Southern Federal Tax Institute

Motion passed with seven (7) affirmative votes and zero (0) negative votes.

**Extension Requests** - The Committee deferred an extension request submitted by Steven Hile (#27619) pending receipt of additional information.

**Examinations** - The Committee reviewed and approved the following staff-approved applicants to sit for the Uniform CPA Examination:

Scott Andrew Anstrom  
Mary A. Auger  
Jonathan Peters Badgett  
Michael Linwood Ballard  
Stephanie Hales Baumgartner  
William Curtis Belcher III  
Beverly Howell Blackmon  
Jessie Lynn Blalock  
Sally Joeline Boseman  
Lindsay Jean Bricolo  
Bridget Ann Brogan  
Bonnie Jean Brown  
Jaime L. Brown  
Melvin Donnel Brown  
Natalie Huffman Brown  
James C. Buck III  
Lori Elizabeth Caddell  
Kimberly Renee Carland  
Joseramon Carrasco  
Ronald Clifton Carter Jr  
Dora Christina Clay  
Brett Alan Cohen

Andrew Kiser Collins  
Forrest Michael Comartos  
Brandon Gray Combs  
Summer Raub Comer  
Rachel Cecilia Cone  
Caroline B. Costin  
Stephanie Michelle Couch  
Jonathan Elliott Crane  
Drew Paul Crawford  
Jesse Lamont Crawford  
Brian Michael Crossland  
Jessica Lee Cunn  
Steve Michael Darst  
Sunita Jagdish Dave  
Angela Maria DePoy  
Jaclyn Marie Deason  
John Edward Dee  
Huy Hoang Dinh  
Reese Dickson Dorrier  
Taranda Salese Dunn  
Julie Denise Durham  
Nancy Anne Dusanenko

Jennifer Lynn Eckard  
Scott Lamont Edwards  
Tiffany Kaye Edwards  
Bivian Obiageli Ejimakor  
Charles Taylor Elks  
Adam Kyle Ennis  
Kelly Elizabeth Ericson  
Jennifer Elizabeth Fairweather  
Gerald Wayne Falls  
David Benjamin Farmer  
Shanna Rachelle Farmer  
Christopher Robert Fielding  
Brian Michael Figueroa  
Katharine Lauren Fink  
Joan Carolyn Fontes  
Amy Lynn Ford  
Allison Hannah Franklin  
Scott Lee Frazier  
Whitney Philipa Freeman  
Robert Lee Freund  
Justin Alan Gach  
Angela Dawn Gangemi  
Sara Paige Gardner  
Parul Garg  
Betty Featherstone Garner  
Emily Dorothea Garner  
Priscilla C. Glover  
Laura Ann Graham  
Shawn Mitchell Graham  
Ross Tunstall Gravely  
Deborah Reed Greer  
Kristy Michelle Greer  
Adam James Greiner  
Stephanie Blair Grubb  
Guizi Guan  
Jason Willard Haggins  
Mary Neil Hall  
Ricki Lynn Hall  
Ashley Caroline Harbinson  
Katherine Roberts Harrell  
Cheryl Ann Harrigan  
Angela Teola Harris  
Holly Renea Hatch

Patrick Timothy Hege  
Elizabeth Meray Hemphill  
Paula Lee Hester  
Evelyn Joyce Hickman  
Allison Buchanan Hicks  
Marissa Leigh Hinesley  
Pamela Pruitt Hipp  
Charles Edward Holland  
Joseph Michael Holland  
Brandi Dawn Hooven  
Renee M. Houpt  
Jeffrey Ronald Hunt  
Anna Heinzman Hunter  
John Randal Huskins  
Bernarda Jackson  
Amy E. Jobe  
Juna Rachel John  
Belinda Lynn Johnson  
Dallas Clinton Johnson  
Justin Warren Jones  
Haley Allyson Kendrick  
Brandon Craig Kimball  
Courtney Russell Lalone  
William Thorpe Landis  
Jared Lashley  
Matthew Philip Leach  
Whitney Morrell Lee  
Alisha Blackmon Leggett  
Jerod Keith Lenderman  
Kevin Michael Leonard  
Kathleen Dianne Leopard  
Erica Ann Little  
Jorushia Rena Little  
Philip Ray Lucado Jr  
Howard Leonard Lucas  
Preeti Sanjay Mamani  
Kirk Lyndsay Mangum  
Margaret Varley Markham  
Suzanne McLamb Marks  
Jeffery W. Mason  
Stephen Robert Mason  
Scott Vernon McCain  
Michael Lee McCaman

Apryl Wesson McCraw  
James Martin McGowan  
Becki R. McKenzie  
Melissa Ann Mencer  
Justin Scott Merritt  
Herman Lee Miller  
Amber Renae Monahan  
Jessica Breeden Moran  
Talise Young Morris  
Michael Christian Murray  
Floyd Leroy Nesbitt  
Caryn Leigh Nivens  
Carole Burton Owenby  
Jennie Braswell Parker  
Ryan Matthew Parker  
Rebecca Adams Parks  
Jennifer Ashley Parlier  
Angela Marie Pate  
Karishma Arun Patel  
Mital Chandra Patel  
Galina Petrova Petrova  
William Markland Porter  
Lance Ingram Pritchett  
Brandi Lynne Privette  
Kim Ann Qualls  
Joanne Alphie Rausch  
Jeannette Ann Ray  
Carla Rochelle Reaves  
Kelly Gray Reed  
Elizabeth Ann Roche  
Lois Michelle Rogers  
Roger Terry Rupert II  
Jason Alan Sanders  
Louis Collins Scheibla  
Krista Nicole Sharpe  
Megan Marie Shealy  
Gary Wade Shelnutt  
Harriett Sharmaine Siler  
Michael Lavenskey Simmons  
Tracie Louise Singleton

Charles John Skender  
Lauren Elizabeth Smith  
Lauren Sloop Smith  
Tracey Elmore Smith  
Elizabeth Crabtree Smolski  
John Andrew Sobolewski  
Ricky Songchun Son  
Matthew Mason Spruill  
Cammie Hunt Stamey  
Marie Brasington Starnes  
Chad Thomas Storck  
Charles Peter Straman  
Yukiyo Suga  
Christopher James Surratt  
Ashley Carol Sutton  
Kerri Lynn Tadt  
Binh My Tang  
James Allen Thomas Jr  
Jon Alden Thompson  
Debbie Ragan Todd  
Suzanne Marie Toruk  
Kristen Lee Tripp  
Karin Hite Ventura  
Ann-Marie Vincoli  
Amy Parrott Walker  
Weihua Wang  
Chari Pawlik Ward  
Dorothy Christine Wesson  
Mary Ann Wexler  
Patrick Thomas White  
Susan Smith Whitfield  
Patrick Scott Wicker  
Kathryn Rosser Williams  
Jennifer Noelle Willoughby  
Jialing Peng Wilson  
Yuladys Wrubel  
Michelle Yvonne Wyatt  
Mao Ye  
Katherine Lucille Yeager  
Stephanie Ann Young

The Committee reviewed a request submitted by initial exam candidate Sally Elizabeth Hughes. Ms. Hughes requested double time on each section of the examination due to ADHD.

Staff recommended allowing time and a half as was allowed by the college that she attended. The Committee approved her exam and will allow time and a half.

**PUBLIC HEARING:** President Jones reconvened the Public Hearing continued from June 21, 2005, to hear Case Nos. 200103-011 and 200106-054, Jerry Uriah Britt, CPA. Jerry U. Britt and Robert N. Brooks were sworn in and presented testimony along with evidence presented by the Board's Legal Counsel. Messrs. Winstead and Clark moved to enter Closed Session without Executive Staff but with Legal Counsel who received permission from Mr. Britt to discuss the matter with the Board in Closed Session. Motion passed. The Board reentered the Public Hearing and offered Mr. Britt a Consent Order to settle this matter. The Public Hearing was adjourned. The entire Public Hearing is a matter of Public Record.

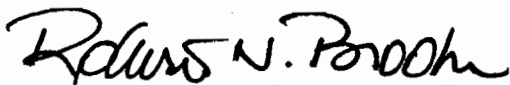
**CLOSED SESSION:** Messrs. Harris and Cox moved to enter Closed Session with Executive Staff and Legal Counsel to discuss legal matters. Motion passed.

**PUBLIC SESSION:** Messrs. Jordan and Gause moved to re-enter Public Session to continue with the Agenda. Motion passed.

**ADJOURNMENT:** Messrs. Cox and Clark moved to adjourn the meeting at 12:45 p.m. Motion passed.

Respectfully submitted:

Attested to by:



Robert N. Brooks  
Executive Director



Leonard W. Jones, CPA  
President



**NON-BINDING INTERPRETIVE STATEMENT**

This is a non-binding interpretive statement issued by the North Carolina State Board of CPA Examiners (Board) pursuant to NCGS 150B-2(8a)(c).

**BACKGROUND INFORMATION**

Mr. Smith is a licensee of the Board and is the Director of Accounting for a management company. The management company has 100% ownership in a number of long term care facilities, partial ownership in two long term care facilities and manages a number of long-term care facilities in which it has no ownership interest. The management company has an agreement with the long term care facilities to provide a number of services one of which is to provide monthly financial statements to all of the facilities as prepared and signed by a CPA. The management company provides financial statements at regular intervals for banks and insurance companies on behalf of all of the long term care facilities. Financial statements are also submitted to Medicare and Medicaid via cost reports that long term facilities are required to file.

**QUESTION 1:** Is Mr. Smith, in providing financial statements on behalf of the management company to long term care facilities which are owned entirely or partially by the management company, providing attest services to these facilities which would require that he only offer these services through a CPA firm pursuant to 21 NCAC 8N .0302(a)?

**ANSWER:** No. Mr. Smith, in providing the monthly financial statements to a third party should use the following language:

*The accompanying balance sheet of Company X as of December 31, 20XX, and the related statements of income and cash flows for the period then ended have been prepared by (name of accountant, controller, CFO, etc.), CPA. I have prepared such financial statements in my capacity as (name of accountant, controller, CFO, etc.) of Company X.*

**QUESTION 2:** Is Mr. Smith, in providing financial statements on behalf of the management company to long term care facilities in which the management company has no ownership interest, providing attest services to these facilities which would require that he only offer these services through a CPA firm pursuant to 21 NCAC 8N .0302(a)?

**ANSWER:** Yes. The management company has an agreement to provide services which include monthly financial statements to a client, a long term care facility. Any CPA providing attest services on behalf of his or her employer to a client shall do so only in the proper firm form and must participate in a peer review program. Since the CPA cannot register the management company as a CPA firm, he would be required to sign a form of practice agreement with the Board.

**NON-BINDING INTERPRETIVE STATEMENT**

This is a non-binding interpretive statement issued by the North Carolina State Board of CPA Examiners (Board) pursuant to NCGS 150B-2(8a)(c).

**BACKGROUND INFORMATION:**

Mr. Jones is a licensee of the Board. Mr. Jones provides chief financial officer (CFO) services to businesses through his firm, CFO Services, Inc. Mr. Jones' services are contracted for by the businesses and he is not paid as an employee. Mr. Jones performs the services contracted for which may include preparation of financial statements for the business.

**QUESTION 1:** Is Mr. Jones considered an independent contractor or an employee?

**ANSWER:** Mr. Jones is considered an independent contractor because he has other clients, he performs only high-level skilled tasks, he offers his services to the public, he has an office or his firm is separate from his client's business, and he is paid directly and receives a 1099.

**QUESTION 2:** Mr. Jones compiles financial statements as part of his contracted services. The financial statements are prepared for internal use only with no reports, disclosures, signature as prepared by a CPA or held out as being prepared by a CPA. Can Mr. Jones compile these financial statements under these circumstances and not be in violation of 21 NCAC 8N .0302 (a)?

**ANSWER:** No. Mr. Jones can only provide attest services in a CPA firm.

**QUESTION 3:** Mr. Jones compiles financial statements as part of his contracted services. The business gives the financial statements as prepared by Mr. Jones, CPA, to third parties such as banks, insurance companies, creditors, etc. Can Mr. Jones compile these financial statements under these circumstances and not be in violation of 21 NCAC 8N .0302(a)?

**ANSWER:** No. Mr. Jones can only provide attest services in a CPA firm.

**QUESTION 4:** Can Mr. Jones offer to perform or perform these as outlined in number 3 or 4 in his current business entity?

**ANSWER:** No. Mr. Jones firm must be a CPA firm registered with the Board to offer to perform or perform attest services pursuant to 21 NCAC 8N .0302(a)

**QUESTION 5:** Can Mr. Jones perform these services without participating in a peer review program?

**ANSWER:** No. Mr. Jones must participate in a peer review program when compiling financial statements for a client pursuant to 21 NCAC 8M .0105.

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200407-026

IN THE MATTER OF:  
Paul E. Cobb, Jr., #7392  
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 7392 as a Certified Public Accountant.
2. Respondent is a shareholder in the registered CPA corporation, Cobb Ezekiel, Brown, and Company, P.A. (CPA firm), and a member of the ancillary firm, CEB Financial Services, LLC (CEB Financial).
3. At some time on or prior to August 16, 2000, a client engaged Respondent in his capacity as a CPA, as well as other members of the CPA firm.
4. In the course of the CPA-client relationship, client requested advice as to how he might defer greater income derived from his professional practice. Respondent recommended that the client consider a § 412(i) defined-benefit pension plan.
5. To assist Respondent in the preparation of investment and estate planning strategies and suggestions, the client authorized Respondent to disclose his 1999 taxpayer information to CEB Financial.
6. Client contended but Respondent denies that Respondent also disclosed to CEB Financial the client's confidential taxpayer information for other tax years without obtaining express prior permission from the client to disclose this additional confidential client information.

7. On or about August 16, 2000, at Respondent's request, the client signed a document (Exhibit 1), which was also signed on behalf of CEB Financial by an individual who was also employed by the CPA firm, stating that CEB Financial would be providing "insurance and investing products" and would be "receiving commissions for these products." The document did not disclose the specific commission or reference specific transactions.
8. At a later time in 2002, Respondent recommended and client agreed to the implementation of a section 412(i) pension plan. Said plan included the purchase of annuities, for which Respondent and CEB Financial would receive commissions from a third party. Respondent and CEB Financial received commissions from third parties for the sale of the annuities.
9. Respondent did not provide to the client nor obtain client's signature on any any written statement which disclosed the specific product to be purchased and the amount of the commission fee to be received. The client contends but Respondent denies that the client was unsure as to the amount of the commission or referral fee and who was actually receiving commissions or referral fees from his purchase.
10. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute a violation of NCGS 93-12 (9)e and 21 NCAC 8N .0303 (e).

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

Consent Order - 3  
Paul E. Cobb, Jr.

1. Respondent is censured.
2. Respondent firm shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted with this signed Order.
3. Respondent shall reimburse the Board five hundred (\$500.00) dollars in administrative costs incurred in the investigation of this matter. Said costs shall be remitted with this signed Order.

CONSENTED TO THIS THE 21 DAY OF July, 2005.

Paul E. Cobb, Jr.  
Respondent

APPROVED BY THE BOARD THIS THE 22nd DAY OF August, 2005.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BOARD  
SEAL

BY: Lemuel B. Jones  
President

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200502-024

IN THE MATTER OF:  
Daniel Aaron Leder, #30304  
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41 and 150B-22, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 30304 as a Certified Public Accountant.
2. Respondent informed the Board on his 2004-2005 individual certificate renewal (renewal) that he had obtained the twenty (20) hours of continuing professional education (CPE) that he, as a new licensee, was required to meet for 2003 CPE. However, Respondent also informed the Board on said renewal that he earned some of his 2003 CPE between January 1, 2004, and June 30, 2004.
3. Respondent signed his 2004-2005 renewal declaring "under penalties of perjury . . . that the information in this application is true, correct and complete."
4. Based on Respondent's representation that, prior to June 30, 2004, he had completed a total of twenty (20) hours of CPE, the Board accepted his renewal.
5. Respondent's failure to timely obtain the required CPE was his first violation of NCGS 93-12(8b) and 21 NCAC 8G .0401(e) within a five (5) year calendar period. Respondent's certificate was placed on conditional status until September 20, 2005, and the Board chose not to require the one hundred dollar (\$100.00) civil penalty.
6. Board staff requested by letter that, prior to October 4, 2004, Respondent provide course listings for the CPE reported to meet his 2003 CPE requirement.

7. Respondent submitted a "2003 Report of CPE for CPAs on Conditional Status," which provided CPE course listings to the Board indicating ten (10) hours of CPE were taken in 2003 and ten (10) hours of CPE were taken in 2004 for a total of twenty (20) hours of CPE.
8. In these listings, Respondent listed two courses with CPE credit hours claimed of 2.5 CPE hours and 3.5 CPE hours. Since NCAC 8G .0409 (a) only allows CPE credit to be granted for full contact hours, Respondent could only claim 2 and 3 CPE hours for these courses. This reduced Respondent's total CPE credit hours from twenty (20) to nineteen (19) hours which caused Respondent to be short of the CPE hours needed for renewal.
9. Respondent wishes to resolve this matter by Consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12 (8b)a, 93-12 (9)c and 93-12 (9)e and 21 NCAC 8J .0101 (b), 8N .0202 (a), .0202 (b)(3), .0202 (b)(4), and 8N .0203 (b)(1).

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent's application for renewal is insufficient and untimely under NCGS 150B-3(a). Hence, his certificate is automatically forfeited pursuant to NCGS 93-12 (8b).
2. Respondent must return his forfeited certificate to the Board with this signed Consent Order.
3. Respondent may not apply for the reinstatement of his certificate for ninety (90) days from the date the Board receives Respondent's forfeited certificate and until the civil penalty required in number five (5) of this Order has been paid by Respondent.

Consent Order - 3  
Daniel Aaron Leder

4. Respondent may apply to return his certificate to active status by submission and approval of a reinstatement application which includes:
  - a. Application form,
  - b. Payment of the application fee,
  - c. 3 moral character affidavits, and
  - d. 40 hours of CPE in 12 months preceding the application including an 8 hour accountancy law course as offered by Highland Publishing in a self study format.
5. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted within six (6) months of the date this signed Order is accepted by the Board.
6. Before December 31, 2005, Respondent must obtain twenty (20) additional hours of CPE which cannot be used in meeting the CPE requirement for reinstatement or the forty (40) hour annual requirement for 2005.
7. Respondent agrees that failure to timely comply with any terms of this agreement and consent order shall be deemed sufficient grounds for revocation of his license.

CONSENTED TO THIS THE 15<sup>th</sup> DAY OF JULY, 2005.

DANIEL A LEDER - [Signature]  
Respondent

APPROVED BY THE BOARD THIS THE 22nd DAY OF August, 2005.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BOARD  
SEAL

BY: [Signature]  
President



NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200410-039 and 200501-009

IN THE MATTER OF:  
Donald Leo Fruehauf McAvoy, #12820  
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 12820 as a Certified Public Accountant.
2. Respondent is registered with the Board as an individual practitioner firm.
3. On his 2004-2005 individual certificate renewal, which Respondent signed on July 20, 2004, Respondent informed the Board that his home and business addresses had changed and provided a new home address in Green Cove Springs, Florida.
4. In December of 2004, based on notification by the United States Postal Service (US Postal Service) that Respondent's business address had changed, Board records were changed to reflect the new business address for Respondent's firm as the Green Cove Springs address provided by the US Postal Service.

**Count 1**

5. Glenn Cantwell engaged Respondent to prepare his 2003 Tax Return. In February of 2004, Glenn Cantwell provided Respondent with the information necessary to prepare Mr. Cantwell's 2003 tax return.
6. Despite Respondent's assurances to his client that the 2003 tax return would be ready by April 15, 2004, Respondent failed to complete the tax return by April 15, 2004.
7. In September of 2004, Mr. Cantwell filed a complaint against Respondent with the Board after having been unable to determine, through his personal contacts or through the services of an attorney, the status of his records or his 2003 tax return.

8. Respondent states that, on September 17, 2004, Mr. Cantwell's records were returned by Respondent to Mr. Cantwell.
9. Mr. Cantwell states that he suffered the costs of long distance telephone calls, legal fees, and late filing fees due to Respondent's failure to timely respond to requests for information, failure to complete work, and failure to return client records.

**Count 2**

10. Gary and Jan Pollard (the Pollards) engaged Respondent to prepare their 2003 tax return. In February of 2004, the Pollards provided Respondent with the information necessary to prepare their 2003 tax return.
11. Sometime in April of 2004, Respondent filed a tax extension on behalf of the Pollards without their knowledge or approval.
12. Respondent failed to advise the Pollards of the status of their 2003 tax returns, failed to complete those tax returns by the extension date of August 15, 2004, and failed to contact the Pollards about the whereabouts of their 2003 tax records.
13. In December of 2004, the Pollards, having been unable to determine, through personal contacts, the status of their records or their 2003 tax return, filed a complaint with the Board against the Respondent.
14. The Board staff wrote to Respondent in January of 2005 requesting his response to the Pollards' complaint. In February of 2005 the Pollards wrote to the Board attempting to withdraw their complaint.
15. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out in Count 1 above constitute violations of NCGS 93-12 (9)e and 21 NCAC 8N .0206, .0207, .0212, and .0305.

Consent Order - 3

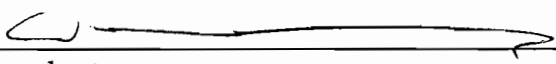
Donald Leo Fruehauf McAvoy

3. Respondent's actions as set out in Count 2 above constitute violations of NCGS 93-12 (9)e and 21 NCAC 8N .0206, .0212, .0305.

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent is censured.
2. Respondent firm shall pay a five hundred dollar (\$500.00) civil penalty to be remitted with this signed Order.
3. Respondent firm shall reimburse the Board five hundred dollars (\$500.00) in administrative costs incurred in the investigation of this matter. Said costs shall be remitted with this signed Order.
4. Respondent shall, within sixty (60) days of the Board's approval of this Order, send a letter by certified/return receipt mail to all former clients whose records are still in his possession to arrange for the return of the client's records.
5. Respondent shall, within ninety (90) days of the Board's approval of this Order, provide the Board with the names, addresses, and telephone numbers for all of the former clients as noted in requirement #4 above.
6. Respondent shall, within one hundred twenty (120) days of the Board's approval of this Order, advise the Board as to the status of the return of the client records and provide copies of the return receipt cards or copies of the mailings as returned by the US Postal Service.

CONSENTED TO THIS THE 12 DAY OF August, 2005.

  
Respondent

APPROVED BY THE BOARD THIS THE 22nd DAY OF August, 2005.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BOARD  
SEAL

BY:   
President

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200502-022

IN THE MATTER OF:  
Noah Kinlaw Duncan, #3640  
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent was the holder of North Carolina certificate number 3640 as a Certified Public Accountant.
2. In December of 1996, Respondent requested that his North Carolina CPA certificate be placed on inactive status. Respondent nevertheless remained eligible for reinstatement under the Board's rules inasmuch as his certificate had not been revoked.
3. On September 11, 2003, Respondent plead guilty to one count of felonious Medical Assistance Provider Fraud for conduct occurring on or before January of 1997 and was placed on twenty-four (24) months of unsupervised probation, required to pay \$125.00 in court costs, fined \$100,000.00 and ordered to pay restitution of \$191,872.00 to the North Carolina Fund for Medical Assistance. Respondent represents that any and all fines, costs and restitution were paid in full as of April 28, 2004 and Respondent's probation was therefore terminated.
4. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

Consent Order - 2  
Noah Kinlaw Duncan

2. Respondent's actions as set out above constitute violations of NCGS 93-12 (9)a and e and 21 NCAC 8N .0201, .0202, .0203, and .0204.

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Noah Kinlaw Duncan, is hereby permanently revoked.

CONSENTED TO THIS THE 2<sup>nd</sup> DAY OF Aug., 2005.

Noah K Duncan  
Respondent

APPROVED BY THE BOARD THIS THE 22<sup>nd</sup> DAY OF August, 2005.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BOARD  
SEAL

BY: [Signature]  
President

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200309-045

IN THE MATTER OF:

Amos Johnson Chestnutt, #11768  
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 11768 as a Certified Public Accountant.
2. In August of 2003, warrants were issued charging Respondent with "unlawfully and willingly" failing to file individual State tax returns for the calendar years 1997, 1998, 1999, 2000, and 2001.
3. In January of 2004, Respondent pleaded not guilty to said charges.
4. Upon trial, Respondent was found guilty in the Wake County District Court of failing to file his individual State income tax returns for 1997, 1998, 1999, 2000, and 2001. Respondent appealed that verdict to Wake County Superior Court for a trial de novo.
5. Based on evidence presented at trial that Respondent had failed to file individual State income tax returns for 1997 through 2001, Respondent was found guilty in Wake County Superior Court of five counts of willfully failing to file his North Carolina individual income tax returns. Respondent was sentenced to two (2) consecutive 45-day prison terms; however, said prison terms were suspended and Respondent was placed on supervised probation for thirty (30) months. Respondent was also ordered to pay a \$2,500.00 criminal fine, to perform one hundred (100) hours of community service, and to file his delinquent tax returns within thirty (30) days.

6. Respondent announced in open Court that he would appeal the Wake County Superior Court verdict to the North Carolina Court of Appeals; however, said appeal has not been perfected and the applicable deadlines have now expired.
7. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12 (9) e and 21 NCAC 8N .0201, .0202 (a), .0203 (b)(1), .0204 (c), and .0207.

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Amos Johnson Chestnutt, is hereby permanently revoked.

CONSENTED TO THIS THE 3rd DAY OF August, 2005.

  
Respondent

Consent Order - 3  
Amos Johnson Chestnutt

APPROVED BY THE BOARD THIS THE 22nd DAY OF August, 2005.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BOARD  
SEAL

BY:   
President



NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200103-011 and 200106-054

IN THE MATTER OF:  
Jerry Uriah Britt, #13952  
Jerry U. Britt, CPA, P.A.  
Respondents

CONSENT ORDER

THIS CAUSE coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

FINDINGS OF FACT

1. The parties have been properly identified.
2. The Board has jurisdiction over the Respondents and this matter.
3. Respondents received at least fifteen (15) days written Notice of Hearing of this Matter by personal service, certified mail, or other approved personal delivery.
4. Venue is proper and the Notice Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
5. Respondents had no objection to any Board Member's participation in the Hearing of this Matter.
6. Respondents were present at the Hearing and were not represented by counsel.
7. Respondent Jerry Uriah Britt (hereinafter "Respondent Britt") is the holder of a certificate as a Certified Public Accountant in North Carolina.
8. Respondent Jerry U. Britt, CPA, P.A. (hereafter "Respondent firm"), is a licensed certified public accounting firm in North Carolina. Respondent

firm is a professional corporation firm owned and operated by Respondent Britt.

9. Respondent Britt and Respondent firm are therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
10. In July of 2004, the Board issued an Emergency Order for Revocation against Respondent Britt and Respondent firm based on Respondents' failures to comply with previous Consent Orders and Respondents' failures comply with the Board's State Quality Review requirements.
11. In lieu of the September 2004 public hearing, Respondents signed another Consent Order agreeing to several conditions including a requirement to obtain a peer review and a tax practice review with the scope of the reviews to be determined by the Board and the reviewer to be approved by the Board.
12. In a letter dated November 4, 2004, Board staff informed Respondents that the Board had selected Robert W. Taylor, CPA/PFS, of Potter & Company, P.A., to perform the peer review and tax practice review of Respondent firm.
13. In a letter dated February 9, 2005, which was sent by certified/return receipt mail to Respondent Britt at the last known mailing address for Respondent firm, Board staff directed Respondent Britt to provide, by February 23, 2005, a copy of a specific CPE certificate of completion, provide copies of the certificates of completion for the CPE used to meet Respondent Britt's Yellow Book requirement for cycle 2003-2004, and provide a written explanation as to how Respondents were complying with the peer review and tax practice review requirement as mandated by the September 2004 Consent Order. The certified mail was received and signed for on February 10, 2005, by a representative of Respondents.
14. In a letter dated February 25, 2005, which was received by the Board on February 28, 2005, Respondent Britt provided the requested specific CPE certificate of completion and informed the Board that he was "completing the forms requested by Robert Taylor before he can do the peer review." Respondents failed to show how they were complying with the tax practice review requirement.

15. Despite preparing the 2003 audit for the Town of Mt. Olive during 2003 and 2004, Respondent Britt stated in his February 25, 2005, response that he had taken no governmental CPE for the 2003-2004 Yellow Book cycle since he "did no governmental accounting services."
16. The peer review and tax practice review of Respondent firm, as required by the September 2004 Consent Order, has been completed by Robert W. Taylor, CPA/PFS of Potter & Company, P.A. The peer review has been submitted to the North Carolina Association of CPA's (NCACPA) Peer Review Committee, but, as of this date, Respondents have not received the final letter of acceptance from NCACPA's Peer Review Committee.
17. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board ex parte, whether or not the Board accepts this Order as written.

#### CONCLUSIONS OF LAW

1. Respondents' failures to timely comply with the terms of the September 2004 Consent Order as well as all previous Consent Orders constitute violations of 93-12 (9)e and 21 NCAC 8N .0203 (b)(3).
2. Respondents' failures to ensure that Respondent firm obtained a peer review in compliance with the Board's previous State Quality Review Program (now entitled "Peer Review Program") constitute violations of NCGS 93-12 (8c) and 21 NCAC 8M .0102.
3. Respondents' failures to respond to Board inquiries in a timely manner constitute violations of NCGS 93-12 (9)e and 21 NCAC 08N .0206.

BASED ON THE FOREGOING, and in lieu of further proceedings, Respondents and the Board agreed to following Consent Order:

1. The Certified Public Accountant certificate issued to Respondent, Jerry Uriah Britt, is hereby suspended for the period of six (6) months from the date of this Order; however, said suspension is stayed provided Respondent, prior to December 31, 2005, completes and provides evidence of completion to the Board staff of the eight (8) hour continuing professional education (CPE) course specifically covering financial statement disclosures provided, further, that said eight (8) hours are not to be counted in fulfilling Respondent's forty (40) hours of annual CPE requirement.

Consent Order - 4  
Jerry Uriah Britt

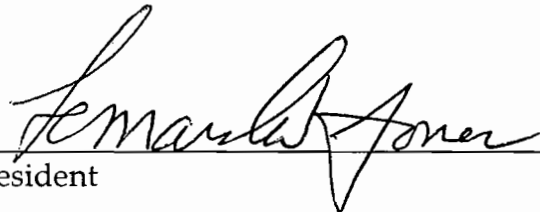
CONSENTED TO THIS THE 22<sup>nd</sup> DAY OF August, 2005.

  
Respondent

APPROVED BY THE BOARD THIS THE 22<sup>nd</sup> DAY OF August, 2005.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BOARD  
SEAL

BY:   
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